

TC-78, A PARTNERSHIP

P. O. Box 218, Chicago Heights, Illinois 60411

June 13, 1978

RECORDATION NO. **9444** Filed & Recorded

**8-167A073**

JUN 16 1978 • 1 25 PM No.

Interstate Commerce Commission  
Recordation Clerk  
Room 1211  
12th & Constitution Ave., N.W.  
Washington, D.C. 20423

INTERSTATE COMMERCE COMMISSION

Date **JUN 16 1978**  
Fee \$ **58**

ICC Washington, D. C.

Gentlemen:

Enclosed for recordation under the provision of Section 20 (c) of the Interstate Commerce Act, as amended, are five (5) copies of: Illinois Terminal Railroad Co. Agreement No. 511 dated May 23, 1978, and Rider No. 1, for 25 Bulkhead Flat Cars numbered ITC-1400 thru 1424, both inclusive.

The names and addresses of the parties hereto are as follows:

Lessor: TC-78, a Partnership  
PO Box 218  
Chicago Heights, IL 60411

Lessee: Illinois Terminal Railroad Company  
P. O. Box 7282  
St. Louis, Missouri 63177

The undersigned is a Partner of TC-78, a Partnership, and has knowledge of the matters set forth within the enclosed documents. Kindly record and thereafter return to TC-78, a Partnership, P. O. Box 218, Chicago Heights, Illinois 60411, or its agent the remaining three copies of the enclosed document, marked "Recorded".

Attached hereto is a remittance in the sum of \$50.00 covering the required Recording Fee.

Very truly yours,

TC-78, a Partnership



S. D. Christianson  
Partner

SDC:dk  
Enclosures

RECEIVED  
JUN 16 1 17 PM '78  
CERTIFICATION UNIT

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

**6/19/78**

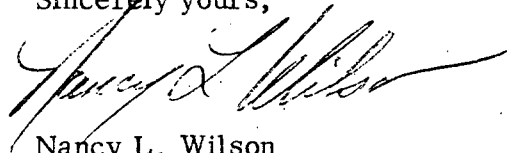
**OFFICE OF THE SECRETARY**

**S.D. Christianson**  
**TC-78 A Partnership**  
**P.O.Box 218**  
**Chicago Heights, Illinois 60411**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,  
49 U.S.C. 20(c), on **6/16/78** at **1:25pm**,  
and assigned recordation number(s) **9444**

Sincerely yours,



Nancy L. Wilson  
Acting Secretary

Enclosure(s)

THIS AGREEMENT, No. 511, made and entered into May 23, 1978, by and between TC-78, a Partnership, P. O. Box 218, Chicago Heights, Illinois 60411, (herein called "LESSOR") and ILLINOIS TERMINAL RAILROAD COMPANY, a Delaware Corporation, P. O. Box 7282, St. Louis, Missouri 63177, (herein called "LESSEE").

WITNESSETH:

Description of Leased Cars: (1) LESSOR agrees to furnish to the LESSEE, and the LESSEE agrees to rent from LESSOR the cars shown on the Rider #1 which is attached hereto and made a part hereof, and such additional Riders as may be added hereto from time to time by AGREEMENT of the parties and signed by their duly authorized representatives. Each Rider shall set forth a brief description of the car, or cars, covered thereby including such facts as: number of cars, car initials and numbers, the A.A.R. or I.C.C. specification, cubic capacity, truck capacity, delivery point, rental, commodity service, term throughout which the cars shall remain in LESSEE'S service, termination rights, and other pertinent information that may be desired by both parties.

Use of Cars: (2) LESSEE agrees to use said cars within the continental limits of the United States and Canada (any use in Canada shall be incidental and temporary) for the transportation of the commodities stated in the Rider applicable to said cars; and that said cars will at all times be used and operated in compliance with all lawful acts, rules, regulations and orders; and further agrees upon the expiration or termination of the rental term of the particular Rider applicable to each such car set forth in such Rider to cause said cars to be returned to LESSOR in Chicago Heights, Illinois, in the same, or as good, condition in which they were furnished, except for ordinary wear and tear. LESSEE will not in any way alter the physical structure of the cars without the approval in writing of LESSOR.

Rent: (3) LESSEE agrees to pay LESSOR the monthly rental stated in the Rider covering said cars from the date each car is delivered as specified in the Rider, and until cars are delivered to LESSOR upon expiration of the rental term specified in the Rider applicable to such car. Such rentals shall be paid to TC-78, A PARTNERSHIP, P. O. Box 218, Chicago Heights, Illinois 60411, or such other place as the LESSOR or its Assignees may hereafter direct.

Term of Lease: (4) This AGREEMENT shall be effective as of the date first set forth hereinabove and shall expire upon expiration of the rental term of the last car, or cars, covered hereunder. The rental term for each car shall be as shown in the Rider covering such car.

9444

Page One

RECORDATION NO. .... Filed & Recorded

JUN 16 1978 -1 23 PM

INTERSTATE COMMERCE COMMISSION

Repair and  
Maintenance:

(5) (a) The expense of routine running repairs of the type customarily performed by railroads under interchange rules shall be borne by LESSOR to the extent of the requirements of such railroads and existing Association of American Railroads' rules, but LESSOR will not be required to pay for repairs made to such cars in excess of the amount permitted under such interchange rules. LESSEE shall notify LESSOR of any damage to said cars requiring major repairs of the type which are normally billed to the car owner. Such notice to be furnished by LESSEE within five (5) business days following its receipt of knowledge thereof. No such major repairs to any of the cars shall be made by the LESSEE for LESSOR'S account without LESSOR'S prior written consent. If any of the cars leased hereunder become unfit for service and are held in railroad or car shops for running repairs and shall remain therein for a period in excess of five (5) days, rental hereunder covering any such car payable by LESSEE to LESSOR shall cease from and after such period of five (5) days until such repairs have been completed and said car has been placed in service, or until another car shall have been placed in the service of LESSEE by LESSOR in substitution for such car undergoing repairs. In the event any of the subject cars shall be destroyed or damaged to the extent that it would normally be required to be returned to the owner for repairs, the rental on any such car shall cease on the date of such damage or destruction. When such damaged car has been forwarded to a shop for repair, the mileage earned by such car to and from the shop shall be retained by the LESSOR.

(b) LESSOR shall keep the cars in good order and repair, ordinary wear and tear excepted, comply with any additional requirements for safety appliances and construction hereinafter specified by American Association of Railroads, Interstate Commerce Commission, United States Department of Transportation, and satisfactory for interchange in accordance with Association of American Railroads' rules, and all at its own cost and expense.

(c) In the event of the loss, destruction or irreparable damage to any of the cars from any cause whatsoever, except while in possession of LESSOR, during the continuance of this lease, the LESSEE shall promptly and fully inform the LESSOR in regard to such loss, destruction or damage.

Inspection:

(6) LESSEE shall allow the LESSOR at its own cost and expense to inspect the cars at any reasonable time or times.

Marking of  
Cars:

(7) (a) The LESSOR shall plainly, permanently stencil the ownership legend on each side of each new car in letters not less than one (1) inch in height, reading:

"LEASED FROM TC-78 AS OWNER AND LESSOR, AND  
SUBJECT TO A SECURITY INTEREST IN FAVOR OF  
A THIRD PARTY CREDITOR RECORDED WITH THE  
INTERSTATE COMMERCE COMMISSION"

The LESSEE will, at its cost, immediately replace any such stenciling which becomes illegible, wholly or in part. Should changes or additions be required in the foregoing legend, LESSEE shall make such changes or additions, and the expense thereof shall be borne by the LESSOR. The LESSEE shall keep the cars free from any marking which might be interpreted as a claim of ownership thereof by anyone other than the LESSOR; and will not change, or permit to be changed, the identifying road numbers.

(b) LESSEE represents and warrants that subject cars are now and shall remain throughout the term of this lease marked and identified in accordance with the car numbers and other identification marks provided for within the Riders which are now and which shall hereafter be attached hereto:

Indemnification:

(3) Except while cars are in the possession of LESSOR, LESSEE will indemnify and hold LESSOR harmless against loss, or damage caused to any of said cars by any cause whatsoever occurring during the term of this AGREEMENT, and LESSEE will further indemnify and hold LESSOR harmless against any claim for injury to person, including death resulting therefrom, or damage to property, including contents of said cars, growing out of the use of said cars under the terms of this lease agreement. LESSEE will also reimburse LESSOR the expenses which LESSOR may incur in its defense of any of the claims or suits which are the subject of this Section 8 - Indemnification.

Casualty Occurrence:

(9) (See the terms set forth in the Rider under the Heading "Casualty Occurrence".)

Subleasing:

(10) LESSEE will not sub-lease said cars or assign any of its rights hereunder, without the written consent of the LESSOR.

Liens:

(11) The LESSEE shall keep the cars free from any encumbrances or liens which may be a cloud upon, or otherwise affect the LESSOR'S title, which arise out of any suit involving LESSEE, or any act, omission or failure of LESSEE to comply with the provisions of this lease and shall promptly discharge such lien, encumbrance or legal process.

Remedies:

(12) Upon the happening of any of the events of default as hereinafter defined, the LESSOR or its Assignee may then, or at any time thereafter, take possession of the cars and any accessions thereto, wherever same may be found, and, at the election of the LESSOR or the Assignee, as the case may be, declare the AGREEMENT immediately terminated, in which event all rights of the parties hereunder shall cease except the obligation of the LESSEE to pay accrued rentals of the date of retaking.

Default:

(13) The happening of any of the following events shall be considered an "event of default" hereunder:

(a) nonpayment by the LESSEE within thirty (30) days after the same becomes due, of any installment of rental hereunder;

(b) failure of the LESSEE to comply with, or perform, any of the other terms and conditions of this AGREEMENT within thirty (30) days after receipt of written notice from the LESSOR, or its Assignee, demanding compliance therewith and performance thereof;

(c) the appointment of a receiver or trustee in bankruptcy for the LESSEE or for any of its property and the failure by such receiver or trustee to adopt and assume and agree to perform the obligations of the LESSEE hereunder within thirty (30) days after such appointment.

Patent  
Indemni-  
fication:

(14) LESSOR shall indemnify, protect and save harmless the LESSEE from all claims, demands, damages, including royalties, judgments (including court costs), attorneys fees, and expense in any way arising out of, or on account of, the use of any or all patented inventions, employed in and about the construction, repair, alterations, or improvements of the cars, or any part thereof, which are incorporated in any car at the time that car is first delivered hereunder to the LESSEE.

Filing:

(15) The LESSOR intends to cause this Lease to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Commission Act. The LESSEE shall from time to time do and perform any other act, and execute, acknowledge, deliver, file, register and record any and all further instruments required by law, or requested by LESSOR, for the purpose of protecting its title and rights or for the purpose of carrying out the intention of this AGREEMENT, and the LESSEE will promptly furnish to LESSOR certificates or other evidences of all such filing, registering and recording in form satisfactory to LESSOR. The LESSOR shall promptly reimburse LESSEE for any out-of-pocket expenses it may so incur.

Miscellaneous:

(16) It is mutually agreed that the time of payment of rentals is of the essence of this contract and that this AGREEMENT and any Rider now and hereafter entered into is subject and subordinate to any Chattel Mortgage or Conditional Sale Agreement on the cars heretofore or hereafter created and to the rights of any Trustee under any Equipment Trust heretofore or hereafter established by the LESSOR.

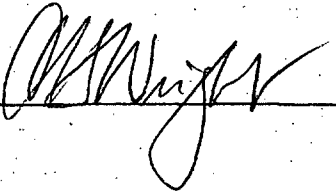
(17) The terms of this AGREEMENT and all rights and obligations hereunder shall be governed by the laws of the State of Illinois, in which State it has been executed and delivered.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers and duly attested, as to the date first above written.

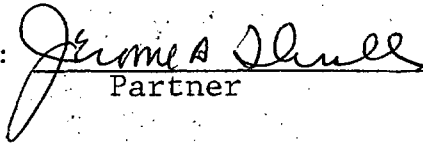
TC-78, a PARTNERSHIP "LESSOR"

(Corporate Seal)

ATTEST:



By:

  
Partner

ILLINOIS TERMINAL RAILROAD COMPANY  
"LESSEE"

By:

  
President

(Corporate Seal)

ATTEST:

  
Assistant Secretary

TC-78, A PARTNERSHIP  
RIDER NO. 1  
TO ITC LEASE NO. 511 DATED May 23, 1978  
(consisting of 4-pages)

IT IS HEREBY AGREED THAT, effective May 23, 1978, this Rider shall become a part of ITC LEASE NO. 511 between TC-78 A PARTNERSHIP, and ILLINOIS TERMINAL RAILROAD COMPANY dated May 23, 1978, and the cars described herein shall be placed in ILLINOIS TERMINAL RAILROAD COMPANY service, subject to the terms and for the rental set forth below:

CAR INITIAL AND NUMBERS:	ITRR NUMBERS - ITC - 1400 thru 1424, both inclusive
CAR OWNERS MARKS:	LEASED FROM TC-78 AS OWNER AND LESSOR, AND SUBJECT TO A SECURITY INTEREST IN FAVOR OF A THIRD PARTY CREDITOR RECORDED WITH THE INTERSTATE COMMERCE COMMISSION
CLASS OF CAR:	61'1½" Bulkhead Flat Cars
NUMBER OF CARS:	25
TRUCK CAPACITY:	100-Ton
DELIVERY PERIOD:	June 1978
DELIVERY POINT:	Chicago Heights, Illinois
RENTAL TERM:	60 Months from Date of Delivery
COMMODITY SERVICE:	Forest Products
RENT:	SEE RIDER NO. 1- Page two
CASUALTY OCCURRENCE:	SEE RIDER NO. 1- Page three
OPTION TO CANCEL:	SEE RIDER NO. 1- Page four



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RENT: Monthly rental payments shall be payable on the 10th day of each calendar month beginning on September 10, 1978, through August 10, 1983, for a total of 60 monthly rental payments ("Monthly Rental"). The Monthly Rental to be paid by the Lessee to the Lessor on each leased car shall be calculated as follows: Fixed Rental, plus Use Rental, less Administrative Charge.

The "Fixed Rental" shall be \$448.65 per month per car. However, that Fixed Rental shall be increased or decreased each month in proportion to the increase or decrease of the published applicable Association of American Railroads' ("AAR") Car Hire Rate Table included in Rule 1 Code of Car Hire Rules and Interpretations - Freight effective March 1, 1973 ("Car Hire Rate Table"), as amended to the date such Monthly Rental is due, as compared to that Car Hire Rate Table in effect on ~~1/1/78~~ 4/1/78 *[Signature]*

The "Use Rental" shall be the amount equal to the mileage rental earned by the relevant car in that calendar month immediately preceding the date the relevant Monthly Rental is due. These rentals shall include operations over Lessee's tracks, except that no mileage rental will be included for movements over the Lessee's tracks while the cars are being returned for repairs. The Use Rental shall be reduced by an amount calculated by multiplying \$14.75 times the number of days during that calendar month immediately preceding the date such Monthly Rental is due which the leased car which is the subject of the calculation fails to earn a daily per annum under the applicable AAR Rules. However, that reduction shall be increased or decreased each month in proportion to the increases and decreases of the Car Hire Rate Table as amended to the date such Monthly Rental is due, as compared to that Car Hire Rate Table in effect on 4/1/78.

The Administrative Charge will be \$45.62 per month per car. However, that Administrative Charge shall be increased or decreased each month in proportion to the increase or decrease of the Car Hire Rate Table which is in effect on the first day of the month in which the relevant Monthly Rental payment is due, as compared to the Car Hire Rate Table in effect on 4/1/78.

On the same date the first Monthly Rental hereunder is due the Lessee shall pay to the Lessor an Interim Rental which is equal to the Monthly Rental then due multiplied by a fraction the numerator of which is the number of days preceding ~~8/10/78~~ 9/10/78 that the car which is the subject of the calculation has been in the possession of the Lessee and the denominator of which is 30. *[Signature]*

All rental payments shall be made to LESSOR in funds available to the LESSOR in Chicago, Illinois, on the date payments are due hereunder.

The LESSEE shall collect from other railroads over whose lines any of said cars shall be operated or used the applicable car hire earned by such cars and shall keep all records pertaining to movements thereof. LESSEE shall furnish LESSOR complete monthly reports based on car hire reports for all movements of such cars, both loaded and empty, and the railroad monthly car hire reports received by LESSEE shall be prima facie evidence of the facts reported therein.

CASUALTY OCCURRENCE: In the event any car shall be or become lost, stolen, destroyed or irreparably damaged, for any cause whatsoever, or taken or requisitioned by condemnation or otherwise, (each such occurrence being hereinafter called a "casualty occurrence") during the term of this lease, the LESSEE shall within 10 days after it shall have determined that such car has suffered a casualty occurrence, fully notify the LESSOR with respect thereto. At the next rental date thereafter when the earnings of such car has been determined the LESSEE shall pay to the LESSOR an amount equal to the accrued rental due hereunder for such car to the date of such payment plus a sum equal to the depreciated valuation of such cars as provided for in the interchange rules of the Association of American Railroads. Upon payment of such sum for such car, the term of this lease as to such car shall terminate, title to such car shall pass to and vest in the LESSEE, without necessity of further act and without any representation or warranty whatsoever on the part of the LESSOR, and the LESSEE shall assume all responsibility in respect to the ownership of such car.

Except as hereinabove in this clause provided, the LESSEE shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any casualty occurrence to any car after delivery to the LESSEE hereunder.

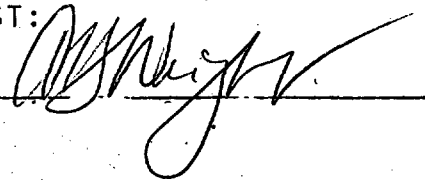
In the event the LESSOR or the LESSEE shall receive any payment from any governmental authority by reason of any casualty occurrence to a unit resulting from any taking or requisitioning of such unit, the LESSEE shall be entitled to such payment to the extent the same does not extend the monies duly paid by the LESSEE to the LESSOR under the terms of this casualty occurrence section, and the LESSOR shall be entitled to any remaining portion of such payment which shall be promptly paid over to the LESSOR.

Notwithstanding the provisions of the foregoing the LESSEE may self-insure against casualty occurrence risks to the same extent that it self-insures any similar items of railroad equipment which it owns.

OPTION TO CANCEL: This Lease may be terminated by either LESSOR or LESSEE (however LESSEE may not terminate if it is in default of any term or provision of this Lease) delivering to the other party a written notice stating the termination date. That termination date must not be less than 60 days nor more than 120 days from the date said notice is delivered to the party entitled to receive said notice.

(Corporate Seal)

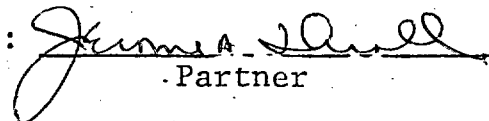
ATTEST:

  
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TC-78, A PARTNERSHIP

"Lessor"

By:

  
\_\_\_\_\_ Partner

(Corporate Seal)

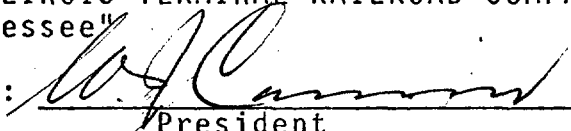
ATTEST:

  
\_\_\_\_\_ Assistant Secretary

ILLINOIS TERMINAL RAILROAD COMPANY

"Lessee"

By:

  
\_\_\_\_\_ President